

Message Text

CONFIDENTIAL

PAGE 01 BAGHDA 00350 131002Z

44

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 COME-00 OMB-01 TRSE-00 FTC-01

JUSE-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 STR-04

ITC-01 /071 W

----- 129089

R 130650Z MAR 76

FM USINT BAGHDAD

TO SECSTATE WASHDC 2955

C O N F I D E N T I A L BAGHDAD 0350

E.O. 11652: GDS

TAGS: ETRD, IZ

SUBJ: DISCRIMINATORY CUSTOMS DUTY ON AMERICAN CARS

1. ON MARCH 9 I MET WITH DIRECTOR GENERAL OF FOREIGN MINISTRY ECONOMIC DEPT., HANI NAIB. I BEGAIN BY TELLING HIM THAT UG SUPPORTED THE STRENGTHENING OF COMMERCIAL LINKS BETWEEN IRAQ AND THE UNITED STATES. I ADDED THAT USG WAS READY TO DISCUSS RESUMPTION OF DIPLOMATIC RELATIONS AT ANY TIME, BUT IT WAS UP TO THE GOI TO DECIDE WHEN IT WISHED TO DO SO. IN MEANTIME, HOWEVER, SOME AMERICAN COMPANIES HAD RESERVATIONS ABOUT DOING BUSINESS IN A COUNTRY WHERE USG HAD NO DIPLOMATIC RELATIONS, PARTICULARLY COMPANIES THAT WERE NEW TO THE AREA AND DID NOT KNOW VERY MUCH ABOUT THE MIDDLE EAST. I POINTED OUT THAT SUCH COMPANIES FREQUENTLY COME TO THE USG FOR ADVICE, AND WE TELL THEM THAT THE ABSENCE OF RELATIONS NEED NOT CONSTITUTE A BAR TO DOING BUSINESS IN IRAQ. NEVERTHELESS, IT WOULD BE PSYCHOLOGICALLY ENCOURAGING TO THESE COMPANIES IF WE COULD POINT TO SOME ESTABLISHED LEGAL FRAMEWORK FOR THEIR BUSINESS Q ACTIVITIES.

2. I THEN GAVE NAIB A COPY OF THE FULL TEXT OF THE 1938 TREATY ON COMMERCE AND NAVIGATION BETWEEN IRAQ AND THE UNITED STATES AND SUGGESTED THAT THE TREATY MIGHT SERVE A USEFUL PURPOSE IN ENCOURAGING AMERICAN BUSINESSMEN. I SAID THAT THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BAGHDA 00350 131002Z

TREATY, ACCORDING TO ITS TERMS, IS STILL VALID AND IS SO

RECOGNIZED BY THE USG.

3. NAIB EXPRESSED INTEREST IN THE TREATY. HE SAID HE HAD NOT BEEN AWARE OF ITS EXISTENCE, BUT FROM WHAT I HAD SAID, IT SEEMED TO HIM THAT IT MIGHT INDEED BE HELPFUL IN ENCOURAGING AMERICAN BUSINESSMEN TO BID ON PROJECTS IN IRAQ.

4. I THEN POINTED OUT THAT THERE WAS ONE PROBLEM. THE TREATY CONTAINED THE STANDARD MOST-FAVORED-NATION CLAUSE ON CUSTOMS DUTIES AND IRAQ NOW APPEARED TO BE IN VIOLATION OF THAT CLAUSE BY CHARGING HIGHER DUTIES ON AMERICAN AUTOMOBILES THAN IT DID ON ALL OTHER IMPORTED AUTOMOBILES, WITH THE SOLE EXCEPTION OF THE GERMAN MERCEDES. NAIB CONCEDED THAT THIS WAS TRUE, BUT SAID THAT THIS APPLIED ONLY IN THE CASE OF AUTOMOBILES. ON ALL OTHER IMPORTS THE UNITED STATES WAS TREATED THE SAME AS ANY OTHER COUNTRY. I, IN TURN, AGREED BUT SAID THAT IT SEEMED TO US THE THE PRESENT IRAQI CUSTOMS DUTY ON AMERICAN CARS WAS CONTRARY TO THE TERMS OF THE TREATY.

5. NAIB SAID HE WOULD LOOK INTO THE SUBJECT AND THEN GIVE ME A REPLY.

WILEY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TREATY COMPLIANCE, MFN, CUSTOMS DUTIES, DIPLOMATIC DISCUSSIONS, AUTOMOBILES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BAGHDA00350
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760096-0129
From: BAGHDAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760364/aaaaceja.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUN 2004 by ElyME>; APPROVED <12 OCT 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DISCRIMINATORY CUSTOMS DUTY ON AMERICAN CARS
TAGS: ETRD, IZ, US, (NAIB, HANI)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006